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The Commonwealth of Massachusetts
House of Representatives
State House, Boston 02133-1054

Chairman
Committee on
Ways and Means

April 11, 2007

To the Honorable Members of the Massachusetts House of Representatives:

It is my distinct privilege to present the recommendations of the House Committee on Ways and Means for the Commonwealth of Massachusetts' Fiscal Year 2008 General Appropriations Act. This document is the sum of the Committee's sincere efforts to manage the Bay State's finances. It was crafted with an acknowledgement of present fiscal realities and with the recognition that quality of life in Massachusetts can be improved through the institution of thoughtful government initiatives.

Although each budgeting cycle presents its own challenges, this year's were unique in many respects. In recent years, the Commonwealth has enjoyed robust revenue growth buoyed by double-digit expansion of our capital gains tax collections. While we still experience healthy trends in this area, the rate of growth has returned to a more average state. Moreover, while rapid expansion of capital gains collections was certainly welcomed, it was unfortunately not accompanied by similar trends in the less volatile revenue sources. Thus, while tax revenues have continued to expand, in the coming fiscal year they are predicted to do so at a slower pace than has been our recent experience.

We accepted this fiscal challenge and met it head-on by controlling expenditures where appropriate, making thoughtful and measured use of reserves, and refusing to impede economic progress by making Massachusetts less attractive to the companies that produce jobs for our citizens. By doing so, we not only address the obstacles we face today, but place the Commonwealth on solid ground for the years to come.

These recommendations also continue a reform begun in the House of Representatives which removed matters better suited for consideration as individual legislation from the pages of the budget. Recent experience has clearly shown that the public benefits when policy matters are scrutinized by legislative committees, rather than passed as part of complex appropriations bills.

After digesting tens of hours of public hearings, reams of written testimony, and many days of meetings with public and private parties interested in contributing to this process, the Committee has presented these recommendations to you for your approbation. As chairman, it is with earnest and eager anticipation that I await the opportunity to debate this appropriations bill. Most importantly, when we reach the end of the journey that is the budget process, I look forward to presenting a document in which all citizens of the Bay State can take pride.

Very truly yours,


ROBERT A. DeLEO
Chairman